

Session 11

Financial Deceptions



OBJECTIVE OF THIS SESSION

To learn to recognize some of the more common financial deceptions of this world and to understand God's truth regarding that particular financial issue.

KEY BIBLICAL PRINCIPLE

God and his Word are the only sources of real truth with respect to finances.

INTRODUCTION

In this world, we are bombarded with all kinds of false concepts with regard to finances. I call these "financial deceptions." Financial deceptions are beliefs that appear to be correct but are contrary to God's principles.

Satan and his demons will do whatever they can to mislead and deceive people in all areas of life, including finances. In many ways, we are dealing with a spiritual battle between the truth of God and his Word versus the financial deceptions (the lies) from the world and Satan.

The great news is that Jesus promised his disciples this:

To the Jews who had believed him, Jesus said, "If you hold to my teaching, you are really my disciples. Then you will know the truth, and the truth will set you free."
(John 8:31, 32)

In other words, every Christian who holds to the teachings of Jesus Christ will be set free from the financial deceptions of this world and Satan. These disciples will know God's truth (as provided in the Bible) and will be able to manage the money that God has entrusted to them, according to God's principles and God's will.

Jesus confirmed the potential deceptions from the world and Satan and the importance of knowing God's Word, which is the only source of "financial truth."

My prayer is not that you take them out of the world but that you protect them from the evil one. They are not of the world, even as I am not of it. Sanctify them by the truth; your word is truth. (John 17:15–17)

Although there are many financial deceptions in this world, following are some of the more common financial deceptions and how they are contrary to God's truth.

FINANCIAL DECEPTION: LIVING PAYCHEQUE TO PAYCHEQUE IS OKAY

Statistics reveal that 80 to 90 percent of the people in North America live "paycheque to paycheque." That is, they spend all their regular income and have no savings. Many people believe this is okay. However, God says it is foolish: "The wise man saves for the future, but the foolish man spends whatever he gets" (Proverbs 21:20 TLB).

Unfortunately, most people fall into the foolish category, as they do not regularly save for future expenses.

God’s Word is clear that a wise person saves for the future. In his example of building a tower (Luke 14:28–30), Jesus clearly communicated that if you do not plan for future expenses, you are foolish.

Saving for the future includes setting aside sufficient funds on a monthly basis to provide for non-monthly expenses. For example, if your family’s annual vacation costs \$1,800, then God’s principles would suggest that you save \$150 per month throughout the year so that you have sufficient funds to pay for your vacation and avoid unnecessary debt.

Some non-monthly expenses, such as automobile repairs, will have to be estimated. Although these estimates will not be perfect, generally it is possible over the year to anticipate and regularly save to cover most, if not all, of your automobile maintenance.

On a longer-term basis, God’s principles would encourage saving for future needs such as retirement and your children’s education. Recent history has shown that most parents do not save for their children’s education, and as a result, most young people complete university or college with significant debt. A good rule of thumb is for parents to start saving for education shortly after the child is born. For example, \$100 per month invested at 7 percent will accumulate to a total of more than \$43,000 within 18 years.

In addition, having a “cushion” in your savings account of four to eight months’ worth of expenses is both reasonable and prudent in the event of a significant reduction in the family’s income (e.g., one spouse out of work).

In summary, living paycheck to paycheck is not consistent with God’s Word. God’s Word is clear that we should plan ahead and save for future needs. To accomplish this practically, it will be necessary to develop and implement a budget. An Excel-based budgeting system is available at no cost. You can obtain a copy at: www.copland-ca.com. Check the section on articles and resources.

FINANCIAL DECEPTION: YOU SHOULD TRY TO ATTAIN FINANCIAL FREEDOM ASAP

Many people believe it is good to try to get rich quickly. Some of the common methods used to obtain financial freedom include lottery tickets (sometimes promoted as “Imagine the freedom”), aggressive investing (usually with a lot of debt), and excessive hard work, which is out of balance.

God’s directive is different. The emphasis in scripture is to plan and save for future needs slowly over a period of time:

Steady plotting brings prosperity, hasty speculation brings poverty. (Proverbs 21:20 TLB)

He who gathers money little by little makes it grow. (Proverbs 13:11)

The plans of the diligent lead to profit as surely as haste leads to poverty. (Proverbs 21:5)

Over the past 30 years, I've seen many cases in which people who wanted to get rich quickly ended up losing everything. God warns that hasty decisions frequently lead to poverty. In my experience, individuals who have accumulated significant wealth—and retained it—have done so over many years (20 years or longer).

At the time the Book of Proverbs was written, most people made their living off the land as farmers. God provides the following admonition:

He who works his land will have abundant food, but the one who chases fantasies will have his fill of poverty. A faithful man will be richly blessed, but one eager to get rich will not go unpunished. (Proverbs 28:19, 20)

In short, God is saying that you should focus on earning your income from your occupation or business. When people invest or get involved in areas that they don't understand, generally they lose money (Proverbs 19:2).

God warns of the dangers of trying to get rich:

Do not wear yourself out to get rich; have the wisdom to show restraint. Cast but a glance at riches, and they are gone, for they will surely sprout wings and fly off to the sky like an eagle. (Proverbs 23:4, 5)

The Apostle Paul also outlined significant “spiritual risks” of trying to get rich:

People who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge men into ruin and destruction. For the love of money is a root of all kinds of evil. Some people, eager for money, have wandered from the faith and pierced themselves with many griefs. (1 Timothy 6:9, 10)

In summary, the emphasis in scripture is to plan and save for needs over a period of time, without the attitude of trying to get rich quickly. God has promised that if we put him first, then he will meet our needs (Matthew 6:31–33).

FINANCIAL DECEPTION: DEBT RESTRUCTURING WILL SOLVE YOUR FINANCIAL PROBLEMS

Several years ago, I counselled an individual who had accumulated significant debt on his credit cards. To lower interest costs and be able make appropriate repayments, it made sense to restructure his debt. He obtained a line of credit at a much lower interest rate and used those funds to pay off his credit cards. I emphasized to him that *restructuring his debt was treating the symptom and not the problem*. The real problem was that he and his wife were spending more than they were earning, and they had been doing this for a couple of years.

I strongly recommended that they develop and implement a budget with the objective of ensuring that they spend less than they earn on a monthly basis so that they can use the surplus to pay down debt. Unfortunately, they did not do so, and within three years they had accumulated new credit card debts. Because his bank line of credit had been fully used, it was necessary to take out a second mortgage on his home to pay off the new debt. Again, I emphasized the importance of spending less than their income.

About four years later, he came to me again with the same problem. With all sources of credit maximized, it was necessary to withdraw money from the couple's RRSPs to pay off the high-interest credit card debt and satisfy the credit card companies. This resulted in two new problems: first, a tax liability because of the RRSP withdrawals and second, a significant concern that they would not have sufficient funds for retirement.

At this point you may well think that this individual cannot have been very astute financially. Actually the reverse is true. He is a chartered accountant who understood and agreed with the advice. However, because he and his wife were not prepared to make the necessary sacrifices to reduce their personal spending, today they are reaping the negative consequences.

Sometimes the root of financial problems goes beyond the financial sphere and into the spiritual. Some spiritual problems that can give rise to financial problems include covetousness, lack of contentment, greed, selfishness, and pride. These mindsets are clearly contrary to God's Word. Often it is necessary for a Christian to meditate on God's Word with regard to finances in order to think differently about money and material things. Romans 12:2 states, "Do not conform any longer to the pattern of this world, but be transformed by the renewing of your mind."

In summary, if you are in debt, I encourage you to do two things:

1. Develop and implement a budget to ensure that you are spending less than you are earning, and use the surplus to pay off your debts. For a free copy of my firm's Excel-based budgeting template, send an e-mail to thomas@copland-ca.com.
2. Study and meditate on God's Word regularly with regard to finances. Excellent materials are available through Crown Financial Ministries: Canadian web site is www.crowncanada.ca, and the US web site is www.crown.org.

FINANCIAL DECEPTION: IF I HAD MORE MONEY, I WOULD BE HAPPY

Many people believe the deception that money will bring happiness. Although additional income can relieve some financial pressures (if the individual or couple manage their money well), money in and of itself does not bring happiness. Money will definitely not provide joy and peace, which only comes from God.

Ecclesiastes 5:10 states, "Whoever loves money never has money enough; whoever loves wealth is never satisfied with his income. This too is meaningless."

I've seen many couples with significant amounts of wealth who have *no* peace or joy. I think of one couple who started with nothing and accumulated about \$40 million worth of assets. However, their unhappiness was evident to anyone who knew them. They were always arguing with each other and with their kids and employees, and they appeared stressed out. Certainly there was no "peace of God, which transcends all understanding" (Philippians 4:7).

Only God, through his Holy Spirit, can bring true peace and happiness. Jesus said: "But

the Counselor, the Holy Spirit, whom the Father will send in my name, will teach you all things and will remind you of everything I have said to you. Peace I leave with you; my peace I give you. I do not give to you as the world gives. Do not let your hearts be troubled and do not be afraid” (John 14:26, 27).

There are many people in North America who have significant amounts of wealth yet are frustrated, angry, weary, and unhappy. Frankly, some are even Christians who are not experiencing God’s joy and peace. Remember, “The fruit of the Spirit is love, joy, peace, patience, kindness, goodness, faithfulness, gentleness and self-control. Against such things there is no law (Galatians 5:22, 23).

Jesus provides an invitation to everyone who is weary and burdened: “Come to me, all you who are weary and burdened, and I will give you rest. Take my yoke upon you and learn from me, for I am gentle and humble in heart, and you will find rest for your souls. For my yoke is easy and my burden is light” (Matthew 11:28–30).

In summary, based upon God’s Word and 30 years’ experience of working with some very wealthy people, I’m convinced that the key to happiness is not more money but rather a *close* personal relationship with God. In John 15, Jesus called this “abiding,” which means to be connected to and in communication with God on an ongoing basis. For more information on “abiding in Christ,” read the book *Secrets of the Vine* by Dr. Bruce Wilkinson (Multnomah Publishers, 2001).

FINANCIAL DECEPTION: IT MAKES SENSE TO BUY NOW AND PAY LATER

Today almost anything can be purchased with little or no down payment—automobiles, furniture, boats, snowmobiles, etc. Advertisements enticing you with “no payments and no interest” for one to two years are very common. Obtaining credit today is very easy, and it is not uncommon for banks to encourage people to take out a line of credit against the increased value of their homes. Easy credit creates a big temptation to buy now and pay later. As a result, many people buy things on credit that they cannot afford and frequently do not really need.

God’s directive is for us to wait for his provision and his timing.

Rest in the Lord and wait patiently for Him. (Psalm 37:7 NASB)

The Lord is my portion; therefore I will wait for Him. (Lamentations 3:24)

Over the past 30 years, I have seen many situations in which Christians have prayed and asked God to meet a particular need. For example, several years ago a Christian couple with a very modest income needed a new vehicle. They prayed and asked God to meet this need, and they waited for God’s provision. Within a few months, someone in their church gave them a used van that was in excellent shape. Clearly, God did provide in a manner that was glorifying to him! Praise God!

If you have a need, and if you pray and wait upon the Lord to supply that need, God can

provide in many ways—such as some unexpected income, a better deal, or perhaps another alternative.

Unfortunately, today many Christians do not pray and wait upon God’s provision. In a sense, they don’t even give God a chance to provide for their needs. Because it is so easy to “buy now and pay later,” they just buy what they want without consulting God and without waiting for God’s provision.

In Matthew 6:31–33, God promised that he will meet our needs: “Do not worry, saying, ‘What shall we eat?’ or ‘What shall we drink?’ or ‘What shall we wear?’ For the pagans run after all these things, and your heavenly Father knows that you need them. But seek first his kingdom and his righteousness, and all these things will be given to you as well.”

Note that God has promised to meet our *needs* but not necessarily our *wants and desires*. God has also instructed us to be content with what he has provided:

Keep your lives free from the love of money and be content with what you have, because God has said, “Never will I leave you; never will I forsake you.” (Hebrews 13:5)

In summary, God has promised that he will meet our needs and that it is his desire for us to wait for his provision and his timing. This is very different from the mindset of “buy now and pay later.”

FINANCIAL DECEPTION: SMART PEOPLE USE OTHER PEOPLE’S MONEY

Many people believe it is good financial thinking to use borrowed money to make a lot of money. In other words, smart people use other people’s money, not their own. This is a lie from the world and Satan. The only way that could be true is *if* you can predict the future—that is, know with certainty the direction of markets and the economy.

The biblical truth is that only God knows the future. Humans can make our best guess about the future, but frequently we are wrong. The past 100 years have shown that no human being can consistently predict the direction of the markets. For example, from 1993 to 2000 the value of most stocks in Canada and United States increased significantly. With false confidence, many people “used other people’s money”—that is, borrowed capital—with the objective of increasing their returns. From 2000 to 2002, on average, the shares on Toronto and New York exchanges decreased about 50 percent in value. People who used debt lost a lot of money. Some lost not only their original capital but ended up in a deficit as their stocks’ value dropped below the amount they had borrowed.

The same principle applies to real estate. During the middle and late 1980s, the value of real estate increased significantly in the Toronto area. Many people believed it would never go down. However, between 1990 and 1995, the values dropped drastically. Some commercial real estate decreased in value by 75 percent and residential by 50 percent. People with a lot of debt were hurt badly, and in some cases lost their home or investment property.

Many business people try to use debt to their advantage. Although there may have been periods when they benefited as the company expanded faster than it otherwise would have, in due course, all businesses encounter difficult times, and generally it is companies with a lot of debt that suffer the most, and some are forced into bankruptcy.

The biblical truth is that we do not know what will happen tomorrow. Proverbs 27:1 states, “Do not boast about tomorrow, for you do not know what a day may bring forth.” In other words, there are no “sure deals.”

The same principle applies in business. God warns us,

Now listen, you who say, “Today or tomorrow we will go to this or that city, spend a year there, carry on business and make money.” Why, you do not even know what will happen tomorrow. What is your life? You are a mist that appears for a little while and then vanishes. Instead, you ought to say, “If it is the Lord’s will, we will live and do this or that.” (James 4:13–15)

In summary, we do not know what will happen tomorrow. Only God knows the future. Therefore, we should use minimal debt—or ideally, carry no debt—for investments and business expansion. Overall, the instruction in God’s Word is toward minimal debt, not maximum debt.

FINANCIAL DECEPTION: FINANCIAL FREEDOM IS ATTAINED BY HAVING LOTS OF MONEY

Many people believe that financial freedom will be obtained only when they have lots of money and material things. This is a deception from the world. God warns us, “Whoever loves money never has money enough; whoever loves wealth is never satisfied with his income. This too is meaningless” (Ecclesiastes 5:10).

Many wealthy people have no peace in the area of finances. They are not “financially free.” They are stressed out by money-related problems, such as, Where should I invest my money? What if I lose my money? Sometimes they are workaholics with an unquenchable desire to accumulate more and more. Worry and anxiety dominate their minds in regard to money-related issues.

True financial freedom comes only from having God’s peace and joy in the area of finances. To obtain God’s peace and joy with respect to finances, consider the following steps:

1. Believe that it is God’s truth that will set you free from the deceptions of this world. “To the Jews who had believed him, Jesus said, ‘If you hold to my teaching, you are really my disciples. Then you will know the truth, and the truth will set you free’” (John 8:31, 32).

2. Recognize God’s truth that we are stewards of what God has entrusted to us. Our responsibility is to learn and apply God’s financial principles and do God’s will. God’s promise is that if we put him first, he will meet our needs (Matthew 6:31–33). Once you have fulfilled your responsibility, you can “cast your cares on the Lord” (Psalm 55:22) and trust God to meet your needs. This should enable you to enjoy God’s peace.

3. With God’s help, learn to be content with God’s provision. The apostle Paul said,

I am not saying this because I am in need, for I have learned to be content whatever the circumstances. I know what it is to be in need, and I know what it is to have plenty. I have learned the secret of being content in any and every situation, whether well fed or hungry, whether living in plenty or in want. I can do everything through him who gives me strength. (Philippians 4:11–13)

4. Acknowledge that the accumulation of money and material things is temporary and not of any eternal value (Matthew 6:19–21.) In short, from an eternal perspective, God’s truth is that a selfish desire to become wealthy has no value.

5. Experience the joy of giving. Jesus said, “It is more blessed to give than to receive” (Acts 20:35). Giving with a cheerful heart and out of your love for God enables you to be free from the love of money and to experience the joy of giving.

In summary, one of the deceptions of this world is that financial freedom comes from having lots of money and material things. True financial freedom comes only from having God’s peace, joy, and contentment in the area of finances.

FINANCIAL DECEPTION: BANKRUPTCY WILL SOLVE MY FINANCIAL PROBLEMS

When people get into financial difficulty, many believe that declaring bankruptcy will solve their financial problems. Unfortunately, bankruptcy just treats the symptom. Statistics show that approximately 80 percent of people who go bankrupt get into financial difficulty again within 10 years. This is generally because *the real problem is the violation of God’s financial principles*, which often continues even if current debts are eliminated by bankruptcy.

The Bible is clear that it is not God’s will for anyone to go bankrupt. “The wicked borrow and do not repay, but the righteous give generously” (Psalm 37:21). In other words, it is a sin to declare bankruptcy. On the other hand, a righteous person pays what is owed (which is implied) and goes “the extra mile” by giving generously even where there is no financial obligation.

In addition, it is not a good testimony when a Christian declares bankruptcy. Hence, I believe that it is *not* God’s will for a Christian to go bankrupt. If you are in financial difficulty, commit to learning and implementing God’s financial principles in conjunction with a budget. God has promised that he will meet your *needs* (Matthew 6:31–33), but not necessarily your *wants and desires*.

Since 1982, I have had the privilege of counselling more than 300 Christians who have been in financial difficulty. In situations where the Christian learned and implemented God’s financial principles, God blessed in unusual ways, and no one declared bankruptcy.

If you have declared bankruptcy already, then may I encourage you in several ways:

1. God loves you, and God will forgive the act of bankruptcy if you confess that sin to

the Lord: “If we confess our sins, he is faithful and just and will forgive us our sins and purify us from all unrighteousness” (1 John 1:9).

2. In dependence upon the Holy Spirit and God’s wisdom from his Word, ask God to reveal to you the real cause(s) of your bankruptcy. Even Christians can unknowingly violate God’s financial principles. Or it may be an ungodly attitude or mindset about money that you need to change. It is critical that you study and meditate on God’s Word with respect to finances so that you have “the mind of Christ” (1 Corinthians 2:16) in managing the money that God has entrusted you with.

3. Develop and implement a budget to ensure that you are spending less than you are earning on a monthly basis so that you have a surplus for non-monthly and unexpected expenditures. A budget is simply a tool that can be used in a practical way to do short-term and long-term financial planning.

In summary, the deception of this world is that bankruptcy will solve one’s financial problems. Bankruptcy only treats the symptom. Generally, the true cause of the problem is the violation of one or more biblical principles. In dependence on God, learn and apply God’s financial principles in conjunction with implementing a budget.

MEMORY VERSES

Do not conform any longer to the pattern of this world, but be transformed by the renewing of your mind. (Romans 12:2)

Do not let this Book of the Law depart from your mouth; meditate on it day and night, so that you may be careful to do everything written in it. Then you will be prosperous and successful. (Joshua 1:8)

To the Jews who had believed him, Jesus said, “If you hold to my teaching, you are really my disciples. Then you will know the truth, and the truth will set you free.” (John 8:31, 32)

CASE STUDIES, RELATED QUESTIONS, AND SUGGESTED SOLUTIONS

Case Study #1

Bob (62) and Joan (60) are married and have two grown children. Bob and Joan both became Christians when they were teenagers. Over the past 35 years of marriage, Bob has earned an above-average income and Joan worked part-time. Bob and Joan plan to retire in three years. To ensure that their finances are in order, they decided to meet, for the first time, with a financial adviser from their church. Much to their dismay, their financial adviser informed them that they do not have enough money to retire, but rather Bob and Joan need to continue working and save several hundred dollars per month, for about another 14 years.

Bob and Joan were surprised and disappointed to learn that realistically they will not be able to retire for 14 years. Upon reflection, they acknowledged that they had not made it a

priority to pay off their credit cards and personal line of credit or to save for future needs such as retirement or health-care costs.

In addition, Bob was recently diagnosed with certain health issues, although they were not life-threatening. The doctor recommended that Bob slow down and get more rest, perhaps work part-time. However, Bob knew that he must continue working full-time for about 14 years in order to pay off debt and save for their future financial needs.

Questions

1. List below the financial deceptions (lies) that Bob and Joan likely believed and followed over the past 35 years. Please provide a reference to scripture.

- ◆ **Bob and Joan believed the lie that it is okay to live paycheque to paycheque, and they spent all of their regular income. They did not save for long-term needs such as retirement or health-care costs (Proverbs 21:20).**
- ◆ **Given that they had credit card debts, they probably believed the financial deception that it makes sense to buy now and pay later (Proverbs 22:7).**
- ◆ **Also, in light of the fact that they had a personal line of credit, it is highly probable that they believed the deception that debt restructuring will solve your financial problems (Proverbs 14:15).**

2. Assuming that you are Bob and Joan’s financial adviser, what biblically based financial advice would you give them? Please provide a reference to scripture for each point.

- ◆ **First, pray and ask God for his wisdom and his direction (James 1:5).**
- ◆ **Confess the sin of having violated many of God’s financial principles (1 John 1:9).**
- ◆ **Learn God’s financial principles through a small-group Bible study (Psalm 119:105).**

- ◆ Change the way they think with respect to finances (Romans 12:2) by meditating upon the appropriate scriptures (Joshua 1:8).
- ◆ With God's help, learn to be content with a reduced lifestyle (Philippians 4:11–13).
- ◆ Develop and implement a budget (Luke 14:28–30) to ensure that they are spending less than they are earning each month, so that they can save sufficient funds to pay down debt and provide for retirement, etc.
- ◆ Regularly study God's financial principles in his Word (Psalm 119:1–11).

3. What impact do you think Bob and Joan's management of money will have had on their children? Assuming that both children went to university, what about the funding with respect to their children's education?

- ◆ Bob and Joan lived paycheque to paycheque for 35 years, and they were foolish, as they did not save for future needs (Proverbs 21:20). Hence it is highly probable that their children will follow the same pattern (Proverbs 22:6). It is likely that both children graduated from university with significant debt, as mom and dad were not in the habit of saving for future needs.

4. Is there any biblically based advice that Bob and Joan should now provide to their adult children? Provide a reference to scripture.

- ◆ They should be willing to humble themselves (Proverbs 22:4) and explain to their adult children some of the financial mistakes that they made and thereby encourage their children (and grandchildren) to follow the wisdom in God's Word with respect to finances (Psalm 1:1–3; 119:24).
- ◆ More specifically, Bob and Joan should advise their children to save for future needs (Luke 14:28–30), including retirement, health-care costs, and the grandchildren's education.
- ◆ Bob and Joan should advise their children to operate with minimal debt (Proverbs 22:7), learn what God has to say on finances (1 Kings 22:5), and be content with whatever God provides in terms of income (Hebrews 13:5).

5. Discuss the relevance and application of the following verses with respect to Bob and Joan’s situation. Write your comments below each verse.

The wise man saves for the future, but the foolish man spends whatever he gets. (Proverbs 21:20 TLB)

- ◆ **Bob and Joan fall into the foolish category in that they spent whatever income they received and they did not save for future needs such as retirement, health-care costs, and likely children’s education as well.**

Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it? For if he lays the foundation and is not able to finish it, everyone who sees it will ridicule him, saying, “This fellow began to build and was not able to finish.” (Luke 14:28–30)

- ◆ **Although we do not “build towers” today, generally most people do want to build a retirement fund for themselves and an education fund for their children. In summary, Jesus is saying if you don’t plan ahead to ensure that you have enough money, then you are foolish. Unfortunately, Bob and Joan did not plan their finances vis-à-vis saving and investing to ensure that they could afford to retire as they had planned.**

Your word is a lamp to my feet and a light for my path. (Psalm 119:105)

- ◆ **God’s Word provides the direction we need to take in order to manage money in order to provide for future needs.**

In fact, though by this time you ought to be teachers, you need someone to teach you the elementary truths of God’s word all over again. You need milk, not solid food! Anyone who lives on milk, being still an infant, is not acquainted with the teaching about righteousness. But solid food is for the mature, who by constant use have trained themselves to distinguish good from evil. (Hebrews 5:12–14)

- ◆ **Bob and Joan have been Christians for many years. Therefore they should have had at least a reasonable understanding of God’s financial principles. At this stage in their lives, they should be teaching others how to manage money according to God’s Word, but unfortunately that is not the case. Instead, Bob and Joan needed someone else to teach them what God’s Word says on finances.**

Case Study #2

Jack and Sue are married with three children. Jack and Sue are members of a Bible-believing church. They often notice and desire the material possessions that others have. They frequently purchase things on credit. Jack feels good when he drives his boat or luxury automobile, and Sue is very proud of their new home with its expensive furniture and upscale decorating.

Over the past 16 years of their marriage, Jack and Sue have always been under some sort of financial stress. For example, 12 years ago, they owed about \$25,000 on their credit cards and were unable to make the minimum monthly payments. They met with their banker, who explained that he could solve this problem for them by providing a bill consolidation loan with a lower interest rate and payment terms over five years.

In addition, six years ago the finance company threatened to repossess their two luxury automobiles. To pay off the car loans, they took out a second mortgage on their home (with a 25-year amortization).

Today, Jack and Sue have “maxed out” all of their credit cards and their personal line of credit, and they have borrowed as much as they can against their home. In addition, they have long overdue loans from both parents and several members of their church. Jack and Sue have a bad credit rating as they have missed several loan payments. Jack and Sue feel their financial debt is insurmountable and that therefore they should declare bankruptcy to eliminate their debt and solve their financial problems.

Questions

1. Please list the financial deceptions that Jack and Sue likely believed and followed over the past 16 years. Please provide a reference to scripture.

- ◆ **Jack and Sue believed the lie that debt restructuring will solve your financial problems (Proverbs 14:15). This was demonstrated by the fact that they did restructure the debt several times but continued to have financial problems.**
- ◆ **Given their credit card debt, car payments, and loans from relatives and friends, clearly they believed the lie that it makes sense to buy now and pay later (Lamentations 3:24).**

- ◆ **Although they have not declared bankruptcy yet, they believe the lie that bankruptcy will solve their financial problems.**

2. What ungodly attitudes are Jack and Sue struggling with? Please provide a reference to scripture for each ungodly attitude.

- ◆ **Jack and Sue notice and desire to have the material possessions that others have. This is covetousness, which is clearly an ungodly attitude (Exodus 20:17).**
- ◆ **Jack and Sue struggle with pride, as they feel they are better than others because of their material possessions (Proverbs 21:4).**
- ◆ **They are discontent with God's provision, as they have been spending more than the income that God has entrusted to them (1 Timothy 6:6–8).**

3. Assuming that you are Jack and Sue's financial adviser, what biblically based financial advice would you give them? Please provide a reference to scripture for each point.

- ◆ **First, pray and ask God for his wisdom and his direction (James 1:5).**
- ◆ **Confess the sin of having violated many of God's financial principles (1 John 1:9).**
- ◆ **Learn God's financial principles through a small-group Bible study (Psalm 119:105).**
- ◆ **Change the way they think with respect to finances (i.e., renew their minds: Romans 12:2) by meditating upon the appropriate scriptures (Joshua 1:8).**
- ◆ **With God's help, learn to be content with a reduced lifestyle (Philippians 4:11–13).**
- ◆ **Develop and implement a budget (Luke 14:28–30) to ensure that they are spending less than they are earning each month, so that they can save sufficient funds to pay down debt and provide for future needs.**
- ◆ **Regularly study God's financial principles in his Word (Psalm 119:1–11).**
- ◆ **Put God first (Matthew 6:31–33) in managing the money that God has entrusted to**

them. In other words, use their money in a manner that is consistent with God’s principles and God’s will.

4. Do you think Jack and Sue should declare bankruptcy? Will it solve their financial problems? After all, it will eliminate their debts and give them a fresh start. Please provide appropriate references to scripture.

- ◆ **Absolutely not. Regardless of the laws today, bankruptcy is a sin in God’s eyes (Psalm 37:21) and a very bad witness to non-Christians. After all, what kind of a “light into a world of darkness” (Matthew 5:14–16) is a Christian who does not pay debts? Jack and Sue will likely not have much success in witnessing to a non-Christian lender when they haven’t met their financial obligations. Jack and Sue do not have any credibility in the eyes of their creditors.**
- ◆ **Going bankrupt will not solve Jack and Sue’s financial problems, as it will only treat the symptom—excessive debt. The underlying cause of their financial problems is that they have been violating many biblical financial principles and they have believed many lies from the world and Satan. Therefore, if they declare bankruptcy, they will likely get into financial trouble again as their ungodly attitudes and unbiblical approach to managing money will continue.**

5. Discuss the relevance and application of the following verses with respect to Jack and Sue’s situation. Write your comments below each verse.

A simple man believes anything, but a prudent man gives thought to his steps. (Proverbs 14:15)

- ◆ **Jack and Sue believed the advice provided by their banker (that a bill consolidation loan would solve their financial problems). They did not give any thought as to what the real cause of their indebtedness was (that they were spending more than they were earning and therefore accumulating debt).**

Let no debt remain outstanding, except the continuing debt to love one another, for he who loves his fellowman has fulfilled the law. The commandments, “Do not commit adultery,” “Do not murder,” “Do not steal,” “Do not covet,” and whatever other commandment there may be, are summed up in this one rule: “Love your neighbor as yourself.” Love does no harm to its neighbor. Therefore love is the fulfillment of the law. (Romans 13:8–10)

- ◆ **Jack and Sue did not follow the admonition in these scriptures, as they consistently did not pay their liabilities on time, and they accumulated debt. As can be seen, the nonpayment of one’s debts is contrasted with the “fulfillment of the law” by loving your fellow human beings. As a practical matter, when Christians do not pay debts, they are not demonstrating God’s love.**

But he gives us more grace. That is why scripture says: “God opposes the proud but gives grace to the humble.” Submit yourselves, then, to God. Resist the devil, and he will flee from you. Come near to God and he will come near to you. Wash your hands, you sinners, and purify your hearts, you double-minded. Grieve, mourn and wail. Change your laughter to mourning and your joy to gloom. Humble yourselves before the Lord, and he will lift you up. (James 4:6–10)

- ◆ **Sue and Jack have a problem with pride. They believe the lie from Satan that they are better than others because of their material assets. This ungodly attitude reflects a significant spiritual problem. Sue and Jack need to spend quality time with the Lord in prayer, asking God to humble them. In addition, they should meditate upon scriptures that emphasize the importance of humility, such as Daniel 4:37, 1 Peter 5:5, 6, and Proverbs 16:5. If they do this, God will bless them.**

But godliness with contentment is great gain. For we brought nothing into the world, and we can take nothing out of it, but if we have food and clothing, we will be content with that. (1 Timothy 6:6–8)

- ◆ **Jack and Sue need to understand the biblical truth that what is important from God’s perspective (“great gain”), is godliness and contentment, not the accumulation or enjoyment of material things. With God’s help, Jack and Sue need to learn to be content (Philippians 4:11–13) with God’s provision of their needs, which will not likely include their wants and desires.**

You are the light of the world. A city on a hill cannot be hidden. Neither do people light a lamp and put it under a bowl. Instead they put it on its stand, and it gives light to everyone in the house. In the same way, let your light shine before men, that they may see your good deeds and praise your Father in heaven. (Matthew 5:14–16)

- ◆ **Jack and Sue’s management of money has *not* been a godly testimony (“light into the world of darkness”), as they have not met their financial obligations. Jack and Sue have believed Satan’s lies and violated God’s financial principles. They need to understand that they have been a bad testimony to non-believers and a significant discouragement and bad example to fellow believers. They must start managing money according to God’s principles and God’s will.**

Case Study #3

When George was in his twenties, he spent considerable time studying the stock markets and reading many investment newsletters. George was confident that using debt would substantially increase his returns. George wanted to build a large portfolio so that he could be “financially free.” He explained to his pastor that, once he accomplished that, he would make significant donations to his church.

Unfortunately, the markets and his particular investments did not increase in value as he anticipated, but rather dropped in value. As a result, he lost his original capital and ended up in a deficit. George had to assume a second job in order to pay for the debt, and his church involvement ceased because of lack of time. George could not understand why God did not bless him financially, and he became disappointed with God.

During his thirties, George read a book called *Sound Mind Investing*, by Austin Pryor. Although George had been a Christian for many years, for the first time in his life he came to realize that God’s Word has incredible wisdom on investing. Next he read several books written by Larry Burkett and studied God’s Word in all financial areas.

The most important thing that George learned was that God owns everything and that George is a manager, or steward, of the money that God has entrusted to him. George diligently

learned and implemented in his own life many biblical financial principles, including contentment, the importance of debt reduction, and that money, in and of itself, is temporary, but the giving of money to God's work will produce eternal benefits! Over time George experienced the joy of giving.

Questions

1. List below the financial deceptions that George believed during his twenties. Please provide a reference to scripture.

- ◆ **George believed the deception that financial freedom is obtained by having lots of money (John 8:31, 32) and that he could use debt to build a large portfolio—the lie that smart people use other people's money (Proverbs 22:7; James 4:11–13; Proverbs 27:1).**
- ◆ **Because of his focus on trying to build a large portfolio, it is highly probable that George believed the financial deception that if he had more money, he would be happy—in other words, that money and material things will bring happiness (Ecclesiastes 5:10; John 14:26, 27; Galatians 5:22, 23).**

2. What ungodly attitudes did George possess in his twenties? Please provide a reference to scripture.

- ◆ **A strong desire to get rich quick (Proverbs 23:4, 5).**
- ◆ **An attitude of greed (Luke 12:15).**
- ◆ **Pride, believing he could build a large portfolio with his own knowledge and not depending upon the Lord (James 4:6, 7).**
- ◆ **Independence from God. George thought he had everything figured out and that he could make it happen on his own (John 15:5).**

3. What godly attitudes did George display in his thirties? Please provide a reference to scripture.

- ◆ **Looking to God and his Word for financial wisdom (James 1:5; Psalm 111:10).**
- ◆ **Recognizing that he is a steward and not an owner of the money and material things that God has entrusted to him (1 Chronicles 29:11, 12).**
- ◆ **Learning contentment (Philippians 4:11–13).**
- ◆ **Making debt reduction a priority (Proverbs 22:7; Romans 13:8).**
- ◆ **Focusing on things of eternal value, not of temporal value (Matthew 6:19–21).**
- ◆ **Learning to give to God’s work and experiencing the joy of giving (2 Corinthians 8:1–8).**

4. Let’s suppose that George got married in his late twenties. What financial challenges would George and his wife likely encounter? How would these financial challenges most likely have affected their relationship?

- ◆ **First of all, George and his wife would probably spend very little time together because of George’s second job to pay his debts. Secondly, the debts would likely cause stress between them as it put pressure on both spouses. Unless George’s wife understood God’s financial principles, there is a risk that she would believe many of the financial deceptions that George believed. All of these things would have a detrimental impact their relationship.**

5. What benefits would George and his wife likely have enjoyed after George learned and implemented biblical financial principles?

- ◆ **Once George and his wife learned and applied God’s financial principles, they would have learned contentment (Philippians 4:11–13), made debt reduction a priority (Proverbs 22:7), developed an eternal perspective on money (Matthew 6:19–21). In addition, they would be giving generously (Luke 6:38), and they would experience God’s peace (John 14:27) in the area of finances.**

6. Discuss the relevance and application of the following verses with respect to George’s situation. Write your comments below each verse.

Do not wear yourself out to get rich; have the wisdom to show restraint. Cast but a glance at riches, and they are gone, for they will surely sprout wings and fly off to the sky like an eagle. (Proverbs 23:4, 5)

- ◆ **In his twenties, George was overly focused on trying to make a lot of money quickly—trying to get rich quick. God warns of the dangers of this ungodly attitude.**

Keep your lives free from the love of money and be content with what you have, because God has said, “Never will I leave you; never will I forsake you.” (Hebrews 13:4, 5)

- ◆ **George needs to learn, with God’s help, to be content with God’s provision.**

God opposes the proud but gives grace to the humble. Humble yourselves, therefore, under God’s mighty hand, that he may lift you up in due time. (1 Peter 5:5, 6)

- ◆ **It is likely that George was proud in his twenties. He believed with confidence that he knew how to make a lot of money quickly by using debt. Any form of pride is contrary to God’s Word. God wants us to be humble, learn and apply his financial principles, and depend upon him for his direction (John 15:5; Psalm 32:8).**

Remember this: Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously. Each man should give what he has decided in his heart to give, not reluctantly or under compulsion, for God loves a cheerful giver. (2 Corinthians 9:6–8)

- ◆ **God has promised that he will bless those who give generously and with a cheerful heart, which is the case for George during his thirties.**

PRAYER

This week, please share one long-term prayer request.